



Buy Land Now (Or You'll Regret It)

The price for urban land could double in some areas, according to Deal Sikes. Principal Matt Deal tells us this will especially affect retailers trying to follow the rooftops. (Want to build a boutique in the East End? Good luck.)



All the recent apartment construction (10,000 units under way) is creating strong demand for new retail. (People need to buy designer hard hats somewhere.) Matt—right, with partner Mark Sikes—tells us multifamily sites doubled in value since '10, and retail sites are next. The significant spikes will come in areas where prices are low, not places like Upper Kirby where land's well over \$100/SF. His eye is particularly on the East End, where land is selling in the \$10 to \$20/SF range. The area is already improving, and when the KBR site sells and is redeveloped, we'll see activity in the area pick up and prices increase.



Mike doesn't think retail will be priced out of any areas (good, we're not sure what we'll do if the East End doesn't get a few froyo shops), but he expects mixed-use will become the norm for Inner Loop sites. And as land is scarce, we'll see an acceleration in sites changing from lower density—particularly industrial and old residential—to higher and better uses. Although most of the major price hikes will be infill (where all retailers want to be but land supply is limited), one suburb may see some significant increases: Exxon's new campus will drive big changes in the I-45 Corridor south of The Woodlands.